Congress of the United States Washington, DC 20515

July 28, 2021

Larry D. Turner
Acting Inspector General
U.S. Department of Labor
200 Constitution Avenue, NW
Room S-5502
Washington, DC 20210

Dear Acting Inspector General Turner:

Since March 2020, the federal government has authorized a vast increase in federal funds for unemployment benefits that are managed by state unemployment agencies. As states across the country debate whether to continue receiving these additional funds, we write to raise our urgent concern with the impact these additional benefits have had on fraud in state unemployment programs. Amidst the increased flow of federal dollars, your office has consistently warned states and highlighted instances of increased fraud that will likely reach into the hundreds of billions of dollars. A recent article highlights the online criminal ecosystem that has emerged to coach bad actors on how to better defraud state unemployment systems. This is a trend we do not want to see continue.

In May, we urged Wisconsin Governor Tony Evers to end the additional benefits provided through the Federal Pandemic Unemployment Compensation program to get Wisconsinites back to work. In June, we sent a letter asking Governor Evers what efforts he had taken to steward increased federal dollars. We have not received a response to either of these letters. Finally, the governor has vetoed legislation ending these benefits and the Wisconsin Legislature was unable to override this veto. Unfortunately, we have not received any information from Wisconsin officials on how they plan to protect these federal dollars that will almost certainly continue to flow to Wisconsin until they expire on September 6, 2021. So, we ask you to review this program in Wisconsin and other states across the country to determine the extent of any waste, fraud, and abuse.

After more than a year of unprecedented federal spending, it is time we begin a full accounting of where federal funds have gone. Thank you in advance for your efforts to ensure taxpayer dollars are not wasted or lost to those committing fraud on the system.

¹ U.S. Department of Labor Inspector General, *DOL-OIG Oversight of the Unemployment Insurance Program*, (Washington, DC, 2020), https://www.oig.dol.gov/doloiguioversightwork.htm

² Cezary Podkul, *How Unemployment Insurance Fraud Exploded During the Pandemic*, PROPUBLICA (July 26, 2021), *available at* https://www.propublica.org/article/how-unemployment-insurance-fraud-exploded-during-the-pandemic

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